ALASKA ECONOMIC TRENDS

MISSING

Registered Nurse
two - five years training
State Board of Licensing certification
current CPR certificate
one year experience
references

STILL A LABOR SHORTAGE?

July 1991

COMPARING EMPLOYMENT 1970—1980—1990

UNEMPLOYMENT DROPS IN APRIL

ALASKA DEPARTMENT OF LABOR WALTER J. HICKEL, GOVERNOR

ALASKA ECONOMIC
TRENDS

Contents

Alaska Economic Trends is a monthly publication dealing with economic-related issues of Alaska. Opinions and analyses expressed by guest authors may not be consistent with those of the Alaska Department of Labor.

We welcome contributions on current economic issues from our readers. For a copy of our editorial policy contact the Editor, *Alaska Economic Trends*, Alaska Department of Labor, P.O. Box 25501, Juneau, Alaska 99802-5501, Telephone: (907) 465-4500. Telefax: (907) 465-2101.

Walter J. Hickel, Governor,
State of Alaska

Nancy Bear Usera, Commissioner,
Department of Labor

Chuck Caldwell, Chief,
Research and Analysis

J. Pennelope Goforth, Editor

July 1991
Volume 11
Number 7

Alaska State Employment Service

UNEMPLOYMENT INSURANCE

maintaining the foundation of economic security

1 Is There A Labor Shortage in Alaska?

9 Comparing Employment in 1970, 1980 and 1990

14 Alaska's Employment Scene
Unemployment Drops in April

Employment Scene Tables:

14-16-17 Nonagricultural Wage and Salary Employment By Place of Work

19 Hours and Earnings for Selected Industries

20 Labor Force by Region and Census Area

Cover design by Jim Fowler

MADE IN ALASKA

Is There Still A Labor Shortage In Alaska?

by Neal Fried

In late 1988 Alaska's economy began on the road to a strong recovery. Help wanted ads decorated many a store front and filled many a newspaper page. Employers were often desperate to find enough workers.

This occurred because thousands of victims of the oil bust left Alaska during the previous three years for greener pastures. So when Alaska's employers began hiring again, workers were more difficult to find. Another reason was a change in demographics. The number of 15 to 24 year-olds, the prime age group for entry level type employment, was on the wane. Then the oil spill hit. During the summer of 1989, the oil spill cleanup effort created more than 7,000 jobs. It was a tough time for many employers and a good time for many Alaskan job seekers. Employment opportunities were plentiful after three lean years. Wages were beginning to rise, and unemployment rates fell to new lows.

This picture began to change in late 1990. The unemployment rate began to creep upwards. The number of advertising inches in the help wanted section of Anchorage newspapers started to fall. (See Figure 1.) Most employers were having less difficulty finding qualified workers. The economy was, however, still in good shape. What was happening? Why was the labor market turning so quickly from a labor shortage condition to possibly a labor surplus?

Workers began moving back to Alaska

The national recession explained this almost overnight change. After seven years of record economic expansion, accompanied by an ever-tightening labor market, the national economy began to falter in mid-1990. Alaska escaped the recession. It did not escape from its effects, however. Many of the victims of the recession in the Lower 48 began looking to Alaska as a place of employment opportunities.

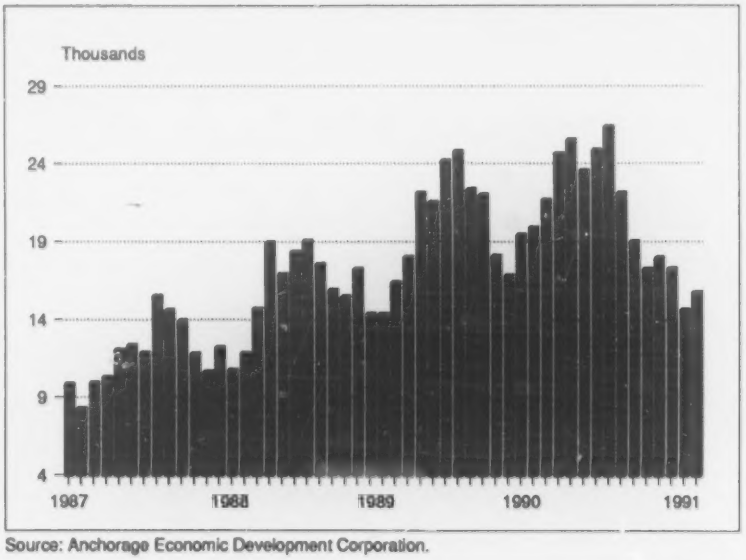
It does not take many jobs seekers coming North to overwhelm the local labor market. For example, the labor force for the entire state of Alaska is less than a quarter of Seattle's.

Although employment continues to grow, Alaska's unemployment rate has crept up slightly from year ago levels. Employment is simply not growing fast enough to absorb all of the new entrants. In 1990 net migration to Alaska was positive for the first time in four years. (See Figure 2.) The number of job seekers collecting unemployment in Alaska against wages earned in another state has grown in 1991. (See Figure 3.) This is an indicator that Alaska is attracting a growing number of people who lost their jobs elsewhere in the country. Employers are spending less effort recruiting. Evidence of this is the decline in the number of help wanted inches over the past four months.

Neal Fried is a labor economist with the Research & Analysis Section, Administrative Services Division, Alaska Department of Labor. He is based in Anchorage.

Figure • 1

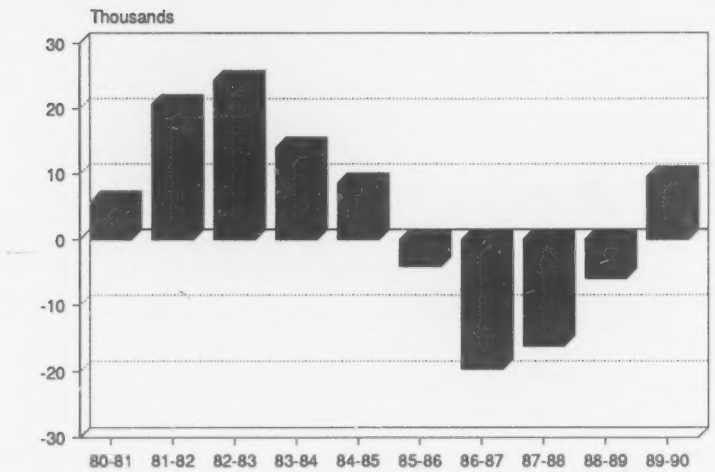
Help Wanted Column Inches
Anchorage Times & Anchorage Daily News



Source: Anchorage Economic Development Corporation.

Figure • 2

Net Migration Trends of Alaska's Population



Source: Alaska Department of Labor, Research and Analysis Section.

The myth and reality of big paychecks lure workers north

Poor employment prospects elsewhere are pushing workers to Alaska. The perception of high wages in Alaska also attracts job seekers. This idea of high wages is part myth and part reality. Alaska does enjoy the highest annual average wage in the nation. Alaskan's incomes over the past two years have risen considerably compared to the rest of the nation. It is a myth, however, that there are big paychecks for anyone who wants to work, regardless of skills.

The relative cost of living has also become less prohibitive. Many people know this; and people simply know more about Alaska.

For the above reasons, Alaska has become a magnet for job seekers. This caused the shortage picture to change radically from 1989, when this issue was last visited. (See December 1989 *Alaska Economic Trends*.)

Fewer Alaskans are leaving the state, deepening the available labor force pool. The national recession has made the employment prospects in the Lower 48 unattractive to workers thinking about leaving the state.

Survey shows there are fewer shortages

Two years ago the Alaska Department of Labor, Research & Analysis Section, conducted a survey of 100 randomly selected employers. At that time more than half of those employers reported shortages. A similar survey was taken again this year using the same employers; less than a third of them reported any shortages. Only 10% of the employers surveyed felt they had fewer applicants to choose from than they did a year earlier. A vast majority felt they had more.

The list of shortage occupations the employers identified was also considerably shorter and less diverse this year. Table 1 shows a partial list of the occupations identified by these employers. Employment Service Offices around the state added to this list. In addition, information from several universities and vocational schools rounded out the list.

These occupational shortages don't necessarily exist all over the state. In most of rural Alaska the biggest problem is labor surpluses. Nearly all of the identified shortage occupations are in urban Alaska. Shortages in the medical fields, however, exist in both rural and urban Alaska.

Low wages, fewer youth cause some occupational shortages

Lower-paying service, retail and food service jobs continue to be the largest group of hard-to-fill jobs. They are usually low paying and often part-time. Turnover is very high. Part of the problem in filling these jobs is also demographic. Figure 4 illustrates that one of the prime sources for recruits for these jobs, Alaska youth, has declined during the past decade. At the same time, the number of retail trade jobs has increased dramatically. (See Figure 5.)

The health care field remains one of the largest occupational groups with shortages. Shortages of employees in the medical fields will persist into the near future. Shortages in health care are not unique to Alaska, but instead are a national phenomenon. The demand for these hard-to-fill medical occupations is growing more rapidly than the supply. Training is often lengthy and technical, and sometimes wages are too low to attract enough workers into these occupations. The forecasted demand for trained medical services personnel will continue to outstrip the supply.

It is harder to declare a shortage in mechanical occupations. Some scarcities exist only during part of the year. For example, during the winter there are usually enough heavy equipment and aircraft mechanics. When summer rolls around, however, many employers have difficulty finding enough qualified applicants. For auto mechanics, a shortage may only apply to mechanics with strong computer analysis backgrounds who are Inspection/Maintenance certified (for emission control).

Engineers dominate the shortage list in the professional and technical fields. For example, there will be approximately 1,000 openings for petroleum engineers in the country in 1991 but only 300 new graduates. The national recession may ease Alaska's shortage for some of these engineers. It is also important to remember that some of the occupational groups are small. For example, only 70 safety engineer positions exist in Alaska.

Some of the skilled construction trades nearly made this list. For several years many of the unions had no or only a few apprenticeship openings because of the poor performance of the industry. Recently, as the picture has improved, many of the unions are boosting their apprenticeship enrollments. Shortages that do occur in these occupations are seasonal. During the winter many skilled craftspeople are out of work. During the past two summers, however, many employers had trouble finding qualified skilled craftspeople.

Some shortages will vanish; others will persist

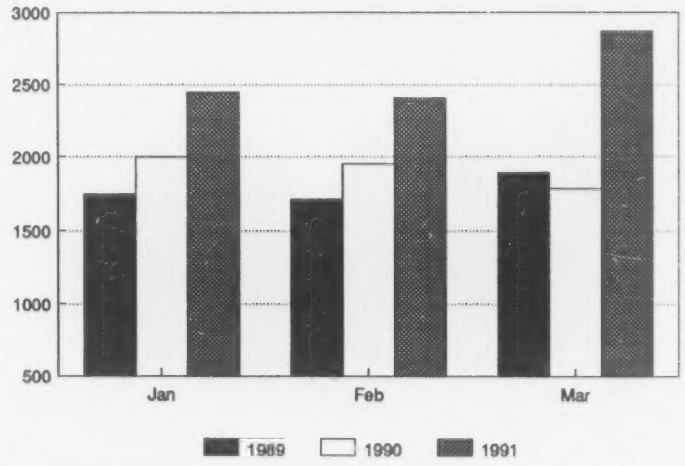
Some shortages will simply vanish as more job seekers come North looking for work. The new arrivals come with a variety of skills. The national recession is affecting all of the professions, from the most highly trained and skilled workers to the unskilled.

Shortages of skilled craftspeople, engineers and mechanics may vanish or become less prevalent in 1991 as these job seekers make their way North. The

continued on page 5

Figure • 3

Alaska Unemployment Claims on Out-of-State Wages



Source: Alaska Department of Labor, Research and Analysis Section.

Table • 1

A Partial List of Shortage Occupations

Service Industry
Baby-sitter
Baker
Cashier
Cook (and All Other Restaurant Help)
Day Care Provider
Floral Designer
Housekeeper
Maid
Sales Clerk
Salesperson
Security Guard

Transportation
Auto Body Repairer
Mechanic, Aircraft
Mechanic, Auto I/M certified
Mechanic, Heavy Equipment

Clerical
Teller
Word Processor 70 WPM

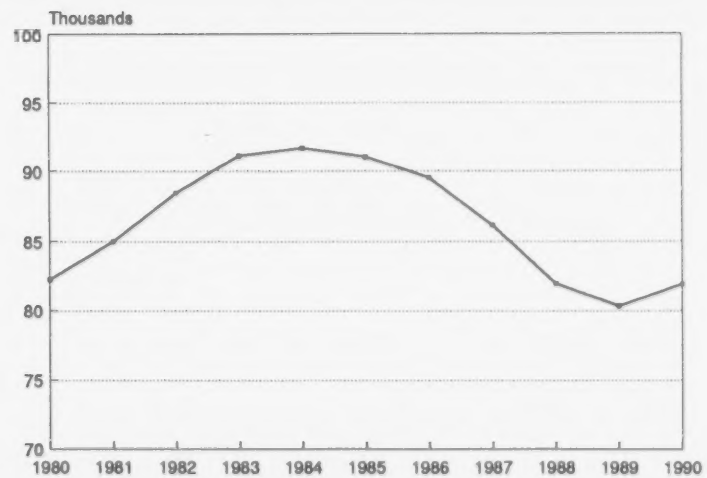
Health Care Field
Dental Assistant
Medical Assistant
Medical Technologist
Nurse, Licensed Practical
Nurse, Registered
Physical Therapist
Occupational Therapist
Respiratory Therapist

Professional and Technical
Civil Engineer
Mining Engineer
Petroleum Engineer
Environmental Engineer
Substance Abuse Counselor with Degree
Computer Programmer
Systems Analyst

Source: Alaska Department of Labor, Research and Analysis Section.

Figure • 4

Alaska's 15-24 Year Old Population



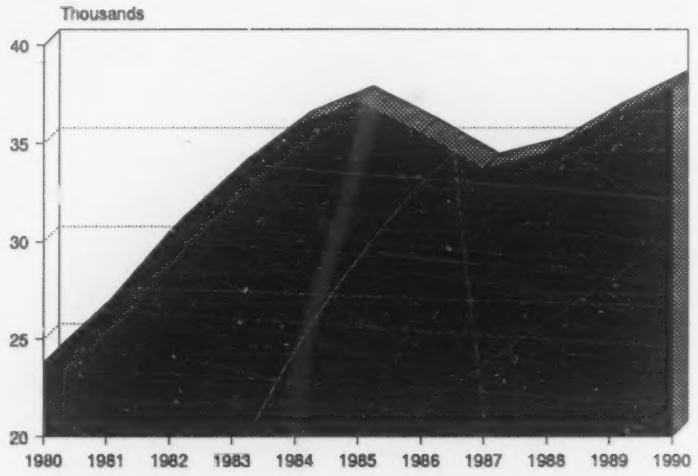
Source: Alaska Department of Labor, Research and Analysis Section.

national recession has hit the construction and manufacturing industries particularly hard. This in turn may mean a disproportionate number of the new arrivals will have crafts or engineering skills.

On the other hand, shortages of employees to fill the low-paying, part-time retail and services jobs will persist. Shortages may ease somewhat as many of the new entrants into the labor market take these jobs as a temporary step until they find better-paying full-time work.

Figure • 5

Alaska's Retail Trade Employment



Source: Alaska Department of Labor, Research and Analysis Section.

Are there solutions?

Solutions to most shortage occupations usually present themselves. Higher wages, in-migration, training programs, increased recruitment and better labor market information eventually solve these problems.

When shortages persist, as in the medical fields, other solutions may be necessary. These include more flexible work schedules, labor-saving technology, training incentives, and lowering entry requirements. Higher wages and heavy recruitment are also a part of the solution.

Except for the medical field, occupational shortages are not critical in Alaska's present labor market. Characterizing shortages as a problem may be misleading. It is easier to find solutions to labor shortages than to find solutions to unemployment.

Summary: Alaska's labor market suffers from few shortages

A tight labor market accompanied Alaska's economic recovery in late 1988. Many workers had left as a result of the oil revenue bust. When employers started hiring again they often found it difficult to locate workers. The shortage phase of the recovery is now winding up. Few employers complain any more about a lack of workers.

The national recession mainly caused this change in the labor market. Workers started moving to Alaska in 1990, after an out-migration the four previous years. Alaskans are also less likely now to leave the state because of the dismal employment opportunities that exist in most of the rest of the nation.

In a survey, employers reported far fewer instances of shortages than they did in 1989. Of those occupations they did identify, the biggest group belong to the low-paying retail and service jobs. Medical-related occupations were also a large group. Some of these shortages will evaporate as more job seekers arrive. Some will persist. In the near future, Alaska may be wrestling with a labor surplus problem in the place of shortages. How severe this problem will become will depend on the depth and length of the national recession and the continued health of Alaska's economy.

Comparing Employment in 1970, 1980 and 1990

by John Boucher

John Boucher is a labor economist with the Research & Analysis Section, Administrative Services Division, Alaska Department of Labor. He is based in Juneau.

Alaska's economy has changed dramatically in the last twenty years. Since 1970, Alaska has grown into the largest oil producer in the U.S. The oil industry's ascendance in Alaska's economy has had profound impacts on Alaskan employment. Employment growth in Alaska's oil industry was one result. Taxation of the oil industry also created secondary employment effects as wealth accumulated to the state and its residents.

Alaska's rise as a major oil producer, however, wasn't the only change in Alaska's economy during the last twenty years. Other differences exist which are more subtle. Some of the changes are even surprising. Many employment changes can be attributed to Alaska's economy maturing. National or world economic events explain other changes in Alaskan employment.

Most articles in *Alaska Economic Trends* focus on current economic events. This article takes a longer view of Alaska's employment scene. Examining a longer period can provide insight into trends that might not be obvious from current data. And looking at a longer period can answer questions about how events have shaped the state's economy.

Alaska 1970: an underdeveloped, government based economy

Comparing Alaska's employment patterns to the nation's employment patterns revals Alaska's economic strengths and weaknesses. (See side bar on shift-share analysis on page 13.) In 1970, nearly 40% of all wage and salary jobs in Alaska were in the public sector. Nationwide, the public sector made up less than 18% of all employment. (See Figure 1.)

About half of the public sector jobs in Alaska, or 18.5% of all wage and salary jobs, were with the federal government. In comparison, less than four percent of all wage and salary jobs nationwide were in the federal government. (See Table 1.) The federal government employed over 17,000 Alaskans, more than any other industry in the state. (This figure excludes members of the uniformed armed services.)

The public sector, particularly the federal government, was the dominant force on the Alaska employment scene in 1970. On the other hand, Alaska's private sector was significantly underdeveloped. Alaska's manufacturing, trade and service industries were particularly underdeveloped compared to the rest of the nation.

Private sector strengths: oil, transportation, construction, wood and seafood products

Despite a smaller private sector than the rest of the nation, several industries were prominent employers in Alaska. Even in 1970, before full development of North Slope oil production, Alaskans were seven times more likely to have a job in the oil and gas industry than they were elsewhere in the nation.

The air transportation industry played a larger role in Alaska's economy than it did elsewhere, employing Alaskans at a rate six times greater than the national average. In fact, most sectors of the transportation industry were more important employers in Alaska than nationally. The construction, wood products and seafood processing industries were also prominent employers in Alaska's economy.

Growth patterns 1970-80: Alaska's private sector emerges

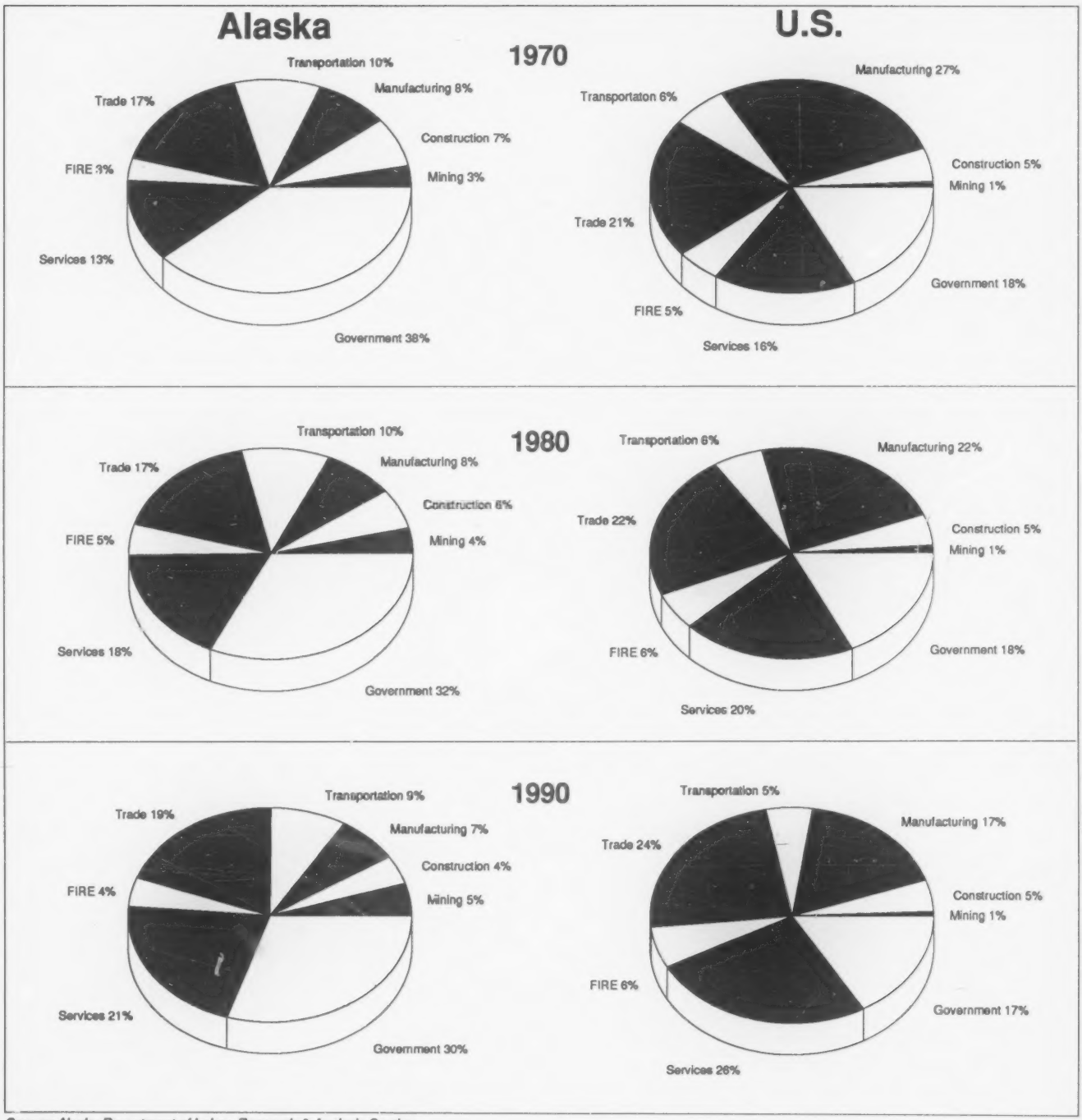
From 1970 to 1980 Alaskan employment growth outperformed national employment growth in every major industry category except federal government. On average, Alaska created jobs three times faster than the national economy.

During the 1970s, Alaska's public sector became a less prominent employer. The decline of the federal government as the major employer played a large role in this change. While total wage and salary employment increased 84%, federal government

continued on page 9

Figure • 1

Alaska & U.S. Employment by Industry



Source: Alaska Department of Labor, Research & Analysis Section.

Nonagricultural Wage and Employment
U.S. & Alaska 1970, 1980 & 1990

	US 1970	Industry Percent of Total	US 1980	Industry Percent of Total	% US Growth 1970-80	US 1990	Industry Percent of Total	% US Growth 1980-90
Total Nonag. Wage & Salary	70,880,000	100.0	90,406,000	100.0	27.5	110,323,000	100.0	22.0
Private	58,325,000	82.3	74,166,000	82.0	27.2	92,031,000	83.4	24.1
Goods-producing	23,578,000	33.3	25,658,000	28.4	8.8	25,002,000	22.7	-2.6
Mining	623,000	0.9	1,027,000	1.1	64.8	735,000	0.7	-28.4
Oil & Gas Extraction	270,100	0.4	559,700	0.6	107.2	408,200	0.4	-27.1
Construction	3,588,000	5.1	4,346,000	4.8	21.1	5,204,000	4.7	19.7
Manufacturing	19,367,000	27.3	20,285,000	22.4	4.7	19,063,000	17.3	-6.0
Durable Goods	11,208,000	15.8	12,187,000	13.5	8.7	11,124,000	10.1	-8.7
Lumber & Wood Products	645,500	0.9	690,500	0.8	7.0	739,200	0.7	7.1
Nondurable Goods	8,158,000	11.5	8,098,000	9.0	-0.7	7,941,000	7.2	-1.9
Food & Kindred Products	1,786,200	2.5	1,708,000	1.9	-4.4	1,649,900	1.5	-3.4
Service-producing	47,302,000	66.7	64,748,000	71.6	36.9	85,320,000	77.3	31.8
Transportation	4,515,000	6.4	5,146,000	5.7	14.0	5,839,000	5.3	13.5
Trucking & Warehousing	1,082,600	1.5	1,280,200	1.4	18.3	1,655,900	1.5	29.3
Water Transportation	212,300	0.3	211,200	0.2	-0.5	172,500	0.2	-18.3
Air Transportation	351,700	0.5	453,400	0.5	28.9	789,300	0.7	74.1
Communications	1,129,400	1.6	1,357,000	1.5	20.2	1,275,800	1.2	-6.0
Trade	15,040,000	21.2	20,310,000	22.5	35.0	26,150,000	23.7	28.8
Wholesale	4,006,000	5.7	5,292,000	5.9	32.1	6,361,000	5.8	20.2
Retail	11,034,000	15.6	15,018,000	16.6	36.1	19,789,000	17.9	31.8
Gen. Merch. & Apparel 1/	2,766,500	3.9	3,203,300	3.5	15.8	3,308,400	3.0	3.2
Food Stores	1,730,600	2.4	2,202,200	2.4	27.3	3,294,700	3.0	49.6
Eating & Drinking Places	2,574,600	3.6	4,625,800	5.1	79.7	6,598,700	6.0	42.6
Finance-Ins. & Real Estate	3,645,000	5.1	5,160,000	5.7	41.6	6,832,000	6.2	32.4
Services & Misc.	11,548,000	16.3	17,890,000	19.8	54.9	28,208,000	25.6	57.7
Government	12,554,000	17.7	16,241,000	18.0	29.4	18,292,000	16.6	12.6
Federal	2,731,000	3.9	2,866,000	3.2	4.9	3,086,000	2.8	7.7
State	2,664,000	3.8	3,610,000	4.0	35.5	4,284,000	3.9	18.7
Local	7,158,000	10.1	9,765,000	10.8	36.4	10,922,000	9.9	11.8

	Alaska 1970	Industry Percent of Total	Alaska 1980	Industry Percent of Total	% Alaska Growth 1970-80	Alaska 1990	Industry Percent of Total	% Alaska Growth 1980-90
Total Nonag. Wage & Salary	92,467	100.0	170,927	100.0	84.8	237,160	100.0	38.7
Private	56,917	61.5	116,157	67.9	104.1	166,321	70.1	43.2
Goods-producing	17,725	19.2	31,259	18.3	76.4	38,653	16.3	23.7
Mining	2,994	3.2	6,672	3.9	122.8	11,474	4.8	72.0
Oil & Gas Extraction	2,640	2.9	6,159	3.6	133.3	10,260	4.3	66.6
Construction	6,893	7.5	10,610	6.2	53.9	10,518	4.4	-0.9
Manufacturing	7,838	8.5	13,977	8.2	78.3	16,661	7.0	19.2
Durable Goods	2,207	2.4	3,415	2.0	54.7	3,821	1.6	11.9
Lumber & Wood Products	1,742	1.9	2,469	1.4	41.7	3,003	1.3	21.6
Nondurable Goods	5,631	6.1	10,562	6.2	87.6	12,840	5.4	21.6
Food & Kindred Products	3,740	4.0	7,809	4.6	108.8	9,073	3.8	16.2
Service-producing	74,742	80.8	139,668	81.7	86.9	198,508	83.7	42.1
Transportation	9,109	9.9	17,157	10.0	88.4	20,483	8.6	19.4
Trucking & Warehousing	1,656	1.8	2,034	1.2	22.8	2,589	1.1	27.3
Water Transportation	830	0.9	1,392	0.8	67.7	1,393	0.6	0.1
Air Transportation	3,070	3.3	5,213	3.0	69.8	6,582	2.8	26.3
Communications	1,854	2.0	4,383	2.6	136.4	3,329	1.4	-24.0
Trade	15,357	16.6	29,393	17.2	91.4	46,093	19.4	56.8
Wholesale	3,244	3.5	5,526	3.2	70.3	8,165	3.4	47.8
Retail	12,113	13.1	23,867	14.0	97.0	37,928	16.0	58.9
Gen. Merch. & Apparel 1/	3,353	3.6	3,258	1.9	-2.8	4,243	1.8	30.2
Food Stores	1,714	1.9	3,711	2.2	116.5	6,609	2.8	78.1
Eating & Drinking Places	2,796	3.0	7,991	4.7	185.8	13,240	5.6	65.7
Finance-Ins. & Real Estate	3,098	3.4	8,126	4.8	162.3	10,247	4.3	26.1
Services & Misc.	11,628	12.6	30,222	17.7	159.9	50,846	21.4	68.2
Government	35,550	38.5	54,770	32.0	54.1	70,839	29.9	29.3
Federal	17,111	18.5	17,720	10.4	3.6	18,697	7.9	5.5
State	10,363	11.2	15,413	9.0	48.7	21,396	9.0	38.8
Local	8,076	8.7	21,637	12.7	167.9	30,747	13.0	42.1

1/ 1970 data not strictly comparable due to industry coding change. Numbers may not add due to rounding.

Sources: U.S. Department of Labor, Bureau of Labor Statistics. Alaska Department of Labor, Research & Analysis Section.

employment grew 3.6%. This decreased the federal share of Alaska's wage and salary employment from 18.5% to 10.4%.

High wages caused population boom & private sector growth

Meanwhile, private sector wage and salary employment more than doubled during the 1970s- led by high growth rates in the services, financial, mining and retail trade industries. The overriding reason for private sector growth was a population boom that accompanied construction of the Trans-Alaska pipeline during the mid-1970s. From 1970 to 1980 Alaska's population grew 36%- or more than 110,000 people.

A big factor in the population increase was in-migration that occurred during construction of the Trans-Alaska pipeline. The population influx was caused by high wages that pipeline construction firms paid to attract the large labor pool necessary to complete the project.

The high wages paid by pipeline firms drove up wages throughout the state. The combination of high pipeline wages and rising wages in other industries attracted about 50,000 new residents to Alaska in 1975 and 1976 alone.

Changes in per capita income during the 1970s illustrate the effect the pipeline had on Alaskans' incomes. In 1970, Alaska's per capita income was 25% above the national average. During 1976, the peak of pipeline construction, per capita income was 74% above the national average. Even though per capita income fell to 40% above the national average by 1980, a good portion of the people who moved to Alaska in the 1970s remained in the state. From 1970 to 1980 the state's population grew nearly 50,000 due to in-migration.

These new residents, plus the 50,000+ population growth due to natural increase during the 1970s, increased demand for consumer goods and services. Higher incomes meant that Alaska's population could afford more consumer goods and services than they could in 1970. Additionally, Alaska had a relatively underdeveloped retail trade and service sector. These factors combined to cause the explosive employment growth in the trade and service industries.

Native corporations a new factor in finance sector

Alaska's financial sector was affected by more than population and income growth. Another factor was the emergence of a new employment entity—Alaska's regional and village Native corporations. Early in the 1970s employment in Alaska's Native corporations was nonexistent. By the end of the decade they had become important employers in Alaska's financial sector.

Local government an exception to slower public sector growth

Between 1970 and 1980 local government employment expanded extensively. Local governments added employees faster than any other sector of the economy, except eating and drinking establishments. One reason local government employment grew so fast was that the population boom increased demand on local government services. This meant more local government employees like school teachers, firemen and snowplow drivers. An increased tax base due to larger populations and higher property values helped finance local government employment growth. Also, in 1969 the state government established a state-financed program which paid local governments to provide basic services like police protection and road maintenance. This money, as well as the municipal assistance program that began in 1978, boosted local government employment. (See Figure 2.)

Oil revenue flow softened pipeline letdown

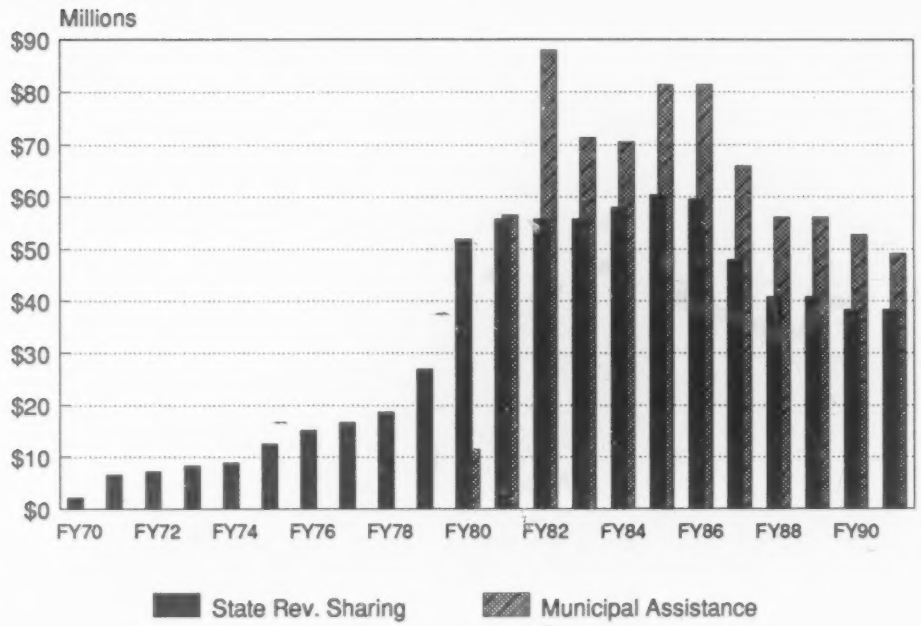
The effects of oil revenue went beyond creating more local government employment. After the pipeline's construction, the economy experienced a lull that lasted a couple of years. (See Figure 3.) Oil revenue began to accrue to the state government, and distribution of that revenue to residents through state spending and tax relief cushioned what could have been a more dramatic fall in wage and salary employment.

1980-1990: A turbulent decade

From 1980 to 1990 the pace of employment growth in Alaska slowed significantly. A devastating recession contributed to the slowdown by dropping Alaskan employment by 20,000 jobs from 1986 to 1988.

Figure • 2

State Revenue Sharing and Municipal Assistance FY 70-FY 91



Source: Alaska Department of Community and Regional Affairs.

Despite the recession, Alaskan employment grew nearly twice as fast as national employment during the 1980s. In 1990, the state reached an all-time high in total wage and salary employment. During the decade, Alaska outperformed the national employment growth rate in all but five industries.

Federal and construction employment declined

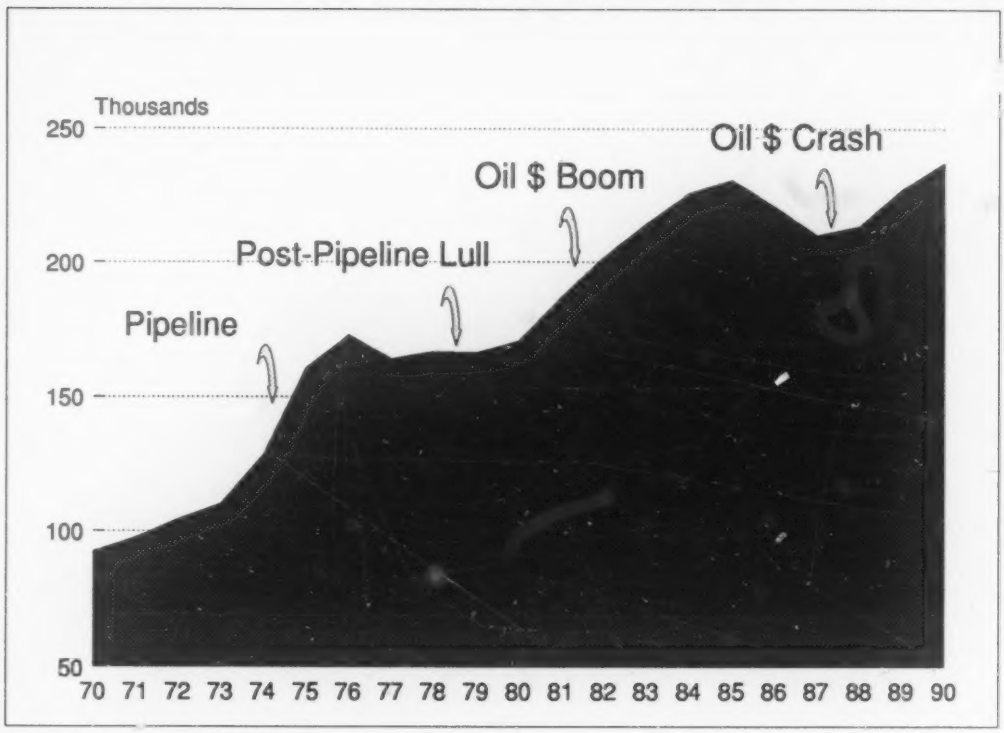
Some employment growth trends established in the 1970s continued into the 1980s, while other new trends emerged. For example, federal government continued to decline during the 1980s. Other industries also became less significant employers on the Alaskan employment scene.

The most dramatic employment decline of the 1980s occurred in Alaska's construction industry. Construction was one of two industries which had fewer jobs available in 1990 than in 1980. In comparison, total Alaskan employment grew 38% and nationwide the construction industry grew nearly 20%. While construction had less employment in 1990 than 1980, the industry was a big source of wage and salary employment in Alaska in the first half of the 1980s. In 1984 more than 9% of all of Alaska's wage and salary employment was in the construction industry. By the end of the decade that number fell below 4.5%.

Many factors contributed to the rise and fall of construction employment in Alaska during the 1980s. The biggest factor was the huge amount of money invested in construction projects. Beginning in 1986, the markets and money for construction projects started drying up. The result was a major contraction in Alaskan construction industry employment.

Figure • 3

Alaska Employment: 1970-1990



Source: Alaska Department of Labor, Research and Analysis Section.

Construction bust rippled into financial sector

This contraction in construction employment preceded trouble in Alaska's financial sector. While financial employment grew from 1980 to 1990, it experienced a major contraction in the late 1980s following the bust in construction. Bad construction loans and depressed property values caused failures and consolidations of many Alaskan financial institutions. This was the main reason why the financial sector grew slower in Alaska than in the rest of the nation during the 1980s.

Communications automates and consolidates

The communications industry did not perform well in Alaska during the 1980s. Employment in this industry shrank nationally, but it fell even more in Alaska. Automation of the communications industry explains most of the employment drop. Alaska was hit particularly hard as remote radar stations downsized their work forces due to more sophisticated electronic equipment.

Hard rock mining, oil, services, and trade grew fastest in 1980s

Some industries which led Alaska's employment growth in the 1970s continued to pace employment growth in the 1980s. New industries also emerged as engines for employment growth.

Hard rock mining emerged as a new source of employment growth for Alaska. Two mine openings late in the decade and a resurgence of interest in Alaska's minerals pushed hard rock mining to the top

of the list of fastest growing industries (on a percentage basis) in the 1980s. The oil and gas portion of the mining industry was Alaska's second fastest growing industry. These two industries bucked a nationwide trend of employment declines in mining. Nationwide, employment in these two industries fell almost 30% while Alaska's mining employment grew more than 70%.

The services industry had the third fastest employment growth rate in Alaska during the 1980s. Several factors explain the expansion in Alaska's services industry. First, the services sector was the fastest growing segment of the national economy during the 1980s- so the national trend explains much of the growth in Alaska. Other factors, like the expansion of Alaska's tourism industry, population growth and the relatively high incomes of Alaskans also contributed to services employment growth.

Retail trade employment, led by food stores and eating and drinking establishments, followed services as the next fastest growth industry in Alaska during the 1980s. The reasons for trade's growth in the 1980s were the same as they were in the 1970s- population increases, higher-than-average incomes and a relatively underdeveloped retail sector.

Wood products, seafood led manufacturing growth

Growth in Alaska's seafood processing and wood products sectors during the 1980s helped increase the prominence of manufacturing employment in Alaska. Even so, Alaska's manufacturing industry remained underdeveloped compared to the rest of the nation.

The biggest development in Alaska's seafood industry during the decade was "Americanization" of Alaska's bottomfishery. When federal legislation phased out foreign bottomfishing in Alaska's waters, the seafood processing industry in Southwest Alaska experienced explosive employment growth. A rebound in the world market for wood products and the arrival of Alaska's Native corporations as major suppliers of timber spurred Alaska's wood products employment growth in the 1980s.

What might Alaskan employment look like ten years from now?

A look in the rear view mirror can show you where you've been, but in the case of Alaskan employment, it also hints where Alaska might be in the year 2000.

The oil industry has been the rising star in Alaska during the last twenty years. Projections for the year 2000 show that oil production from Alaska's North Slope will be significantly less than it is now. Falling production, however, doesn't necessarily translate into less oil industry employment- in fact the opposite is often the case. A. an oil field gets older, more wells (and employees) are needed to keep production levels as high as possible. The possibility of a natural gas pipeline or development of the Arctic National Wildlife Refuge makes the oil industry a likely candidate as a driving force for employment growth in the 1990s.

If a good portion of the mining projects now in the exploration and development phase come to fruition, the 1990s may see a boom reminiscent of 1890s in the hard rock mining industry. If a mining boom occurs, hard rock mining has the potential to be an employment growth leader in the 1990s.

Alaska's services industry should continue growing during the next decade. No slowdown of the national movement toward a more service-oriented economy is evident, and Alaskan services employment should benefit from that trend. Growth in Alaska's tourism industry will stimulate employment growth in some sectors of the services industry. Hotel and lodging place employment will continue to grow as Alaska's tourism industry grows. Other sectors of services will grow due to different factors. For example medical care and health services should grow as Alaska's population ages.

Alaska's small market limits growth potential in some industries. For example, wholesale trade employment in Alaska is unlikely to match the prominence it has nationally. Seattle wholesalers are a significant factor in the wholesale trade industry in

Alaska and they will continue to be in the future. Alaska's retail trade sector is not as underdeveloped now as it was in 1970, so retail trade growth will probably slow during the 1990s.

Alaska's manufacturing industry has potential to develop, but don't expect Alaska to have a car, steel or textile manufacturing industry anytime soon. Alaska's potential for manufacturing employment growth will continue to be value-added processing of its natural resources. Alaskan oil, minerals, fish and timber will play central roles in any employment growth in 1990s. Potential does exist for a light manufacturing sector to develop around Anchorage's air freight industry. This could be a new source of employment growth for the manufacturing industry during the 1990s.

Alaska's public sector is likely to continue to shrink in prominence during the next ten years. State and local government employment both face financial uncertainty because of projected oil revenue declines. Expected revenue from Alaska's oil industry should drop off significantly by the year 2000. While there is the possibility of postponing revenue declines through many scenarios, state government will downsize unless the state finds an alternate revenue source. The same is true of local governments because they are dependent upon state revenue for a significant portion of their budgets.

Summary: You've come a long way Alaska

Alaska's economy made great progress in the last twenty years. The state has changed since 1970 when the federal government was the largest industry and most of the private sector was underdeveloped. In 1990, Alaska's public sector still plays a large role in Alaska's economy, but state and local governments have taken on larger roles as the federal government fell from prominence. In the meantime, Alaska's private sector, paced by the oil industry and growth in trade and services, has flourished.

The recent past shows that most of Alaska's private sector development has been resource-based. And while Alaska's economy is changing gradually- particularly in the development of the tourism and air freight industries- natural resource development will be a key ingredient to private sector employment growth in Alaska into the next century.

Shift-Share Analysis

Examining employment growth in Alaska's economy can be accomplished by many different methods, but this study relies on a technique known as shift-share analysis.

The shift-share technique attempts to separate employment growth into three components. One component—the national growth component—is that portion of a region's growth caused by general growth in the national economy. For example, if the nation's employment is growing, shift-share analysis assumes that the national employment growth should have a positive impact on employment growth in Alaska.

A second component that explains a region's employment growth is called industrial mix. This component measures the portion of Alaska's employment change attributable to employment shifts among industries present in the region. For example, if Alaska has a large concentration of fast-growing industries, then Alaska would be expected to grow faster than a region which has a concentration of slower-growing industries.

The third component is the local performance factor. This component describes the extent to which local economic conditions contribute to the growth or decline of employment in a particular industry. The local factor component is a residual- it is arrived at by subtracting the expected national growth component and industry mix components from the region's actual growth.

Unemployment Drops in April

by John Boucher

Alaska's statewide unemployment rate moved sharply downward in April, falling more than a percentage point to 7.0%. The 7.0% rate meant that just over 18,000 Alaskans were unemployed in April, 3,200 fewer unemployed than in March. April was the first time since early 1990 that the statewide rate was significantly below the year ago unemployment rate. (See Table 4.)

While Alaska's unemployment rate dropped dramatically, other data suggest the economy has not made such a striking improvement. For example, unemployment insurance claims this April are significantly higher than they were last April. (See Figure 1.) These figures represent unemployment insurance benefit weeks paid to individuals during the month. It is an excellent indicator of unemployment among the labor force covered by unemployment insurance.

Unemployment claims data wasn't the only sign which contradicts the statewide unemployment rate. Nonagricultural wage and salary employment growth has slowed since last April. One year ago, statewide wage and salary employment showed an over-the-year growth rate of 6.2%. This April, wage and salary employment is only 1.8% above last April. (See Table 1.)

Table • 1

Nonagricultural Wage and Salary Employment by Place of Work — Alaska

	p/ 4/91	r/ 3/91	Changes from: 4/90	3/91	4/90
Total Nonag. Wage & Salary	237,000	230,000	232,700	7,000	4,300
Goods-producing	38,100	34,900	37,200	3,200	900
Mining	11,700	11,600	10,700	100	1,000
Construction	9,100	8,300	9,300	800	-200
Manufacturing	17,300	15,000	17,200	2,300	100
Durable Goods	3,500	3,100	4,100	400	-600
Lumber & Wood Products	2,700	2,400	3,300	300	-600
Nondurable Goods	13,800	11,900	13,100	1,900	700
Seafood Processing	9,800	8,100	9,400	1,700	400
Pulp Mills	900	900	900	0	0
Service-producing	198,900	195,100	195,500	3,800	3,400
Transportation	19,900	19,400	19,200	500	700
Trucking & Warehousing	2,500	2,400	2,400	100	100
Water Transportation	1,200	1,200	1,200	0	0
Air Transportation	6,300	6,200	6,300	100	0
Communications	3,500	3,400	3,200	100	300
Trade	45,500	44,100	44,300	1,400	1,200
Wholesale Trade	8,400	8,000	7,900	400	500
Retail Trade	37,100	36,100	36,400	1,000	700
Gen. Merch. & Apparel	5,700	5,500	5,400	200	300
Food Stores	6,500	6,500	6,400	0	100
Eating & Drinking Places	12,800	12,200	12,800	600	0
Finance-Ins. & Real Estate	10,300	10,200	10,100	100	200
Services & Misc.	50,800	50,000	49,400	800	1,400
Hotels & Lodging Places	4,900	4,700	4,800	200	100
Government	72,400	71,400	72,500	1,000	-100
Federal	18,100	17,800	18,700	300	-600
State	22,100	21,800	21,900	300	200
Local	32,200	31,800	31,900	400	300

Notes: Prepared in cooperation with the U.S. Bureau of Labor Statistics.

Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

The employment numbers that appear above are definitionally different from those that appear in the Labor Force table.

Benchmark: March 1990
p/ denotes preliminary estimates r/ denotes revised estimates

Source: Alaska Department of Labor, Research & Analysis Section.

Lower national unemployment rate could benefit Alaska

The national unemployment rate improved in April moving from 7.1% to 6.5% (civilian not seasonally adjusted). If the national unemployment rate continues to improve, Alaska's unemployment picture could reap some benefit. Since the onset of the national recession,

jobseekers have flocked to Alaska. The result of this in-migration has been upward pressure on the unemployment rate of Alaska's small labor market. If the national employment picture improves it could stem the tide of newcomers and ease some upward pressure on Alaska's jobless rate.

While the national employment picture is important, economies in the western U.S. have the biggest influence on in-migration to Alaska. When in-migration occurs, it tends to be from Washington, Oregon and California. One thing unusual about the recent national recession is that California did not avoid the downturn like it has previously. Jobseekers from California, the largest labor market in the nation, are more likely than before to look to Alaska for employment prospects. (See Figure 2.)

Coastal regions lead April job growth

In April, Alaska's coastal regions led the state out of the winter employment slump. The Gulf Coast, Southeast and Southwest regions of the state accounted for more than half of the 7,000 additional jobs available. This is a large percentage considering these three regions make up less than a third of the state's total employment.

The Gulf Coast was the fastest growing region during April, posting 8.1% job growth. The addition of nearly 1,000 seafood processing jobs was the primary reason for the jump in Gulf Coast employment. Gulf Coast processors added employees to handle cod and herring openings in April. These spring fisheries mark the beginning of a frenzied summer for Alaska's seafood processors culminating with salmon processing in June, July and August.

The retail and service industries also geared up for summer. Eating and drinking establishments added more than 200 employees and hotels and lodging places contributed nearly 100 additional jobs.

April's employment picture in Gulf Coast was not all positive. Construction employment declined compared to last year, primarily because the Bradley Lake hydroelectric dam project is nearly complete. There are fewer local government jobs in many of the region's communities than last April. Last April many of the region's local governments had some oil spill-related employment.

Southeast Alaska added jobs at the second-fastest rate in April growing at a 4.7% clip. Like Gulf Coast, seafood processing was pivotal to boosting the region's total employment.

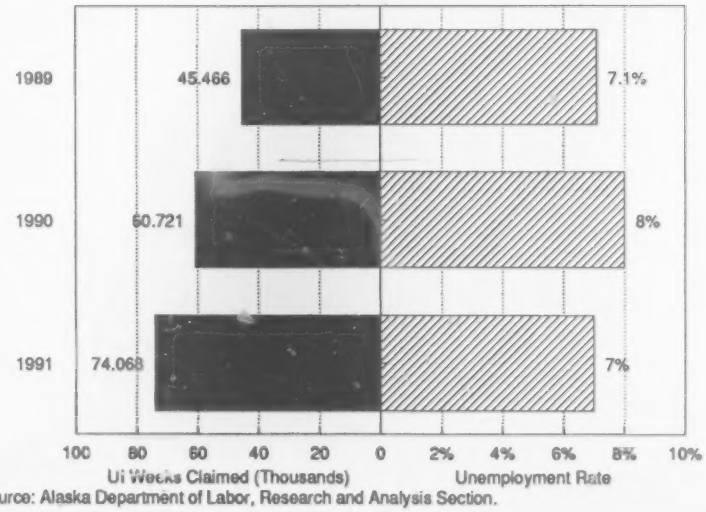
The timber industry contributed to Southeast's job gain as logging operations began opening up for the summer. Despite the seasonal increase of logging jobs in April, a struggling timber industry is a big reason why Southeast posted employment declines compared to last April. There were nearly 500 fewer logging jobs in Southeast Alaska this April than in April 1990. The industry's problems are spreading out from the logging sector: one sawmill recently cut back hours and laid off about 10% of their work force. Operators cited a lack of logs as the cause for scaling back operations.

Construction contributed to April's employment gains in Southeast. Juneau is teeming with construction activity. On the commercial side, work on the Department of Environmental Conservation building, the JC Penney mall remodel, the Federal Building asbestos abatement project, and a remodel of the Department of Transportation headquarters are the

John Boucher is a labor economist with the Research & Analysis Section, Administrative Services Division, Alaska Department of Labor. He is based in Juneau.

Figure • 1

UI Claims Contradict Unemployment Rate



Source: Alaska Department of Labor, Research and Analysis Section.

Table • 2

Nonagricultural Wage and Salary Employment By Place of Work

Municipality of Anchorage

	p/ 4/91	r/ 3/91	4/90	Changes from: 3/91	4/90
Total Nonag. Wage & Salary	111,700	110,650	108,400	1,050	3,300
Goods-producing	11,600	11,150	11,150	450	450
Mining	4,200	4,300	3,850	-100	350
Construction	5,000	4,800	5,000	200	0
Manufacturing	2,400	2,050	2,300	350	100
Service-producing	100,100	99,500	97,250	600	2,850
Transportation	10,850	10,850	10,500	0	350
Trucking & Warehousing	1,450	1,450	1,450	0	0
Water Transportation	300	300	300	0	0
Air Transportation	3,950	3,950	3,950	0	0
Communications	2,050	2,050	1,850	0	200
Trade	25,700	25,600	25,400	100	300
Wholesale Trade	5,850	5,950	5,750	-100	100
Retail Trade	19,850	19,650	19,650	200	200
Gen. Merch. & Apparel	2,850	2,800	2,900	50	-50
Food Stores	3,150	3,250	3,100	-100	50
Eating & Drinking Places	7,600	7,400	7,550	200	50
Finance-Ins. & Real Estate	6,450	6,450	6,350	0	100
Services & Misc.	29,600	29,350	27,950	250	1,650
Hotels & Lodging Places	2,450	2,400	2,350	50	100
Government	27,500	27,250	27,050	250	450
Federal	10,500	10,450	10,400	50	100
State	8,250	8,150	7,900	100	350
Local	8,750	8,650	8,750	100	0

Fairbanks North Star Borough

	p/ 4/91	r/ 3/91	4/90	Changes from: 3/91	4/90
Total Nonag. Wage & Salary	26,750	26,250	26,450	500	300
Goods-producing	1,800	1,650	1,900	150	-100
Mining	150	100	150	50	0
Construction	1,100	1,000	1,200	100	-100
Manufacturing	550	550	550	0	0
Service-producing	24,950	24,600	24,550	350	400
Transportation	1,900	1,800	1,850	100	50
Trucking & Warehousing	450	450	400	0	50
Air Transportation	450	450	400	0	50
Communications	300	300	300	0	0
Trade	5,750	5,600	5,550	150	200
Wholesale Trade	750	750	700	0	50
Retail Trade	5,000	4,850	4,850	150	150
Gen. Merch. & Apparel	550	550	500	0	50
Food Stores	800	750	800	50	0
Eating & Drinking Places	1,950	1,800	1,800	150	150
Finance-Ins. & Real Estate	800	800	800	0	0
Services & Misc.	6,100	6,100	6,000	0	100
Government	10,400	10,300	10,350	100	50
Federal	3,000	2,950	3,150	50	-150
State	4,500	4,450	4,400	50	100
Local	2,900	2,900	2,800	0	100

Anchorage-MatSu Region

	p/ 4/91	r/ 3/91	4/90	Changes from: 3/91	4/90
Total Nonag. Wage & Salary	119,450	117,900	115,500	1,550	3,950
Goods-producing	12,150	11,700	11,450	450	700
Mining	4,350	4,450	3,850	-100	500
Construction	5,300	5,100	5,200	200	100
Manufacturing	2,500	2,150	2,400	350	100
Service-producing	107,300	106,200	104,050	1,100	3,250
Transportation	11,600	11,500	11,200	100	400
Trade	27,800	27,350	27,150	450	650
Finance-Ins. & Real Estate	6,900	6,900	6,800	0	100
Services & Misc.	30,900	30,600	29,250	300	1,650
Government	30,100	29,850	29,650	250	450
Federal	10,600	10,550	10,600	50	0
State	9,050	8,950	8,700	100	350
Local	10,450	10,350	10,350	100	100

Interior Region

	p/ 4/91	r/ 3/91	4/90	Changes from: 3/91	4/90
Total Nonag. Wage & Salary	30,450	29,700	30,450	750	0
Goods-producing	2,100	1,850	2,100	250	0
Mining	350	250	300	100	50
Construction	1,150	1,050	1,250	100	-100
Manufacturing	600	550	550	50	50
Service-producing	28,350	27,850	28,350	500	0
Transportation	2,050	2,000	2,050	50	0
Trade	6,100	5,950	5,900	150	200
Finance-Ins. & Real Estate	850	850	900	0	-50
Services	6,600	6,550	6,600	50	0
Government	12,750	12,500	12,900	250	-150
Federal	3,600	3,500	3,800	100	-200
State	4,750	4,650	4,700	100	50
Local	4,400	4,350	4,400	50	0

Nonagricultural Wage and Salary Employment By Place of Work

Southeast Region

	p/ 4/91	r/ 3/91	Changes from: 4/90	3/91	4/90
Total Nonag. Wage & Salary	32,850	31,250	33,650	1,600	-800
Goods-producing	6,300	5,250	6,900	1,050	-600
Mining	350	300	350	50	0
Construction	1,150	950	1,300	200	-150
Manufacturing	4,800	4,000	5,250	800	-450
Durable Goods	2,400	2,100	2,800	300	-400
Lumber & Wood Products	2,300	2,050	2,750	250	-450
Nondurable Goods	2,400	1,900	2,450	500	-50
Seafood Processing	1,300	800	1,400	500	-100
Pulp Mills	900	900	900	0	0
Service-producing	26,550	26,000	26,750	550	-200
Transportation	2,350	2,300	2,300	50	50
Trade	5,200	5,050	5,200	150	0
Wholesale Trade	550	550	600	0	-50
Retail Trade	4,650	4,500	4,600	150	50
Finance-Ins. & Real Estate	1,100	1,100	1,050	0	50
Services & Misc.	5,300	5,200	5,550	100	-250
Government	12,600	12,350	12,650	250	-50
Federal	2,050	1,950	2,100	100	-50
State	5,600	5,550	5,700	50	-100
Local	4,950	4,850	4,850	100	100

Gulf Coast Region

	p/ 4/91	r/ 3/91	Changes from: 4/90	3/91	4/90
Total Nonag. Wage & Salary	23,800	21,900	23,650	1,900	150
Goods-producing	6,650	5,450	6,500	1,200	150
Mining	1,100	1,100	1,150	0	-50
Construction	850	750	950	100	-100
Manufacturing	4,700	3,600	4,400	1,100	300
Seafood Processing	3,650	2,650	3,450	1,000	200
Service-producing	17,150	16,450	17,150	700	0
Transportation	1,950	1,900	1,900	50	50
Trade	4,050	3,650	3,950	400	100
Wholesale Trade	500	450	500	50	0
Retail Trade	3,550	3,200	3,450	350	100
Finance-Ins. & Real Estate	600	600	550	0	50
Services & Misc.	4,550	4,350	4,350	200	200
Government	6,000	5,950	6,400	50	-400
Federal	450	450	650	0	-200
State	1,850	1,850	1,950	0	-100
Local	3,700	3,650	3,800	50	-100

Northern Region

	p/ 4/91	r/ 3/91	Changes from: 4/90	3/91	4/90
Total Nonag. Wage & Salary	14,550	14,200	13,950	350	600
Goods-producing	5,900	5,700	5,450	200	450
Mining	5,550	5,350	5,050	200	500
Service-producing	8,650	8,500	8,500	150	150
Government	4,550	4,500	4,550	50	0
Federal	250	250	300	0	-50
State	350	350	350	0	0
Local	3,950	3,900	3,900	50	50

Southwest Region

	p/ 4/91	r/ 3/91	Changes from: 4/90	3/91	4/90
Total Nonag. Wage & Salary	15,650	15,150	15,450	500	200
Goods-producing	5,000	4,700	4,750	300	250
Seafood Processing	4,700	4,450	4,450	250	250
Service-producing	10,650	10,450	10,700	200	-50
Government	6,200	6,200	6,400	0	-200
Federal	1,200	1,250	1,250	-50	-50
State	550	550	550	0	0
Local	4,450	4,400	4,600	50	-150

Notes: Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

The employment numbers that appear above are definitionally different from those that appear in the Labor Force table.

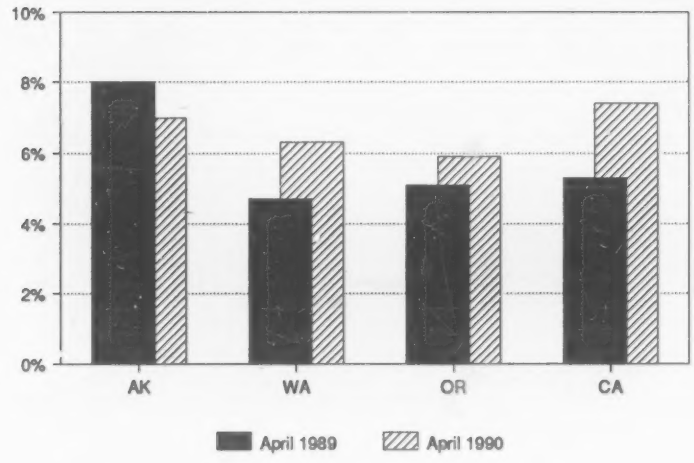
Benchmark: March 1990

p/ denotes preliminary estimates
r/ denotes revised estimates

Source: Alaska Department of Labor , Research & Analysis Section.

Figure • 2

Western Unemployment Rates Climb



Source: Alaska Department of Labor, Research and Analysis Section.

most visible projects.

Another key contributor to Southeast employment growth was tourist-related employment. Hotel employment picked up in Southeast in April as seasonal hotels staffed up for the beginning of the tourist season.

Southwestern Alaska's growth was more one-dimensional than either Gulf Coast or Southeast. That one dimension was fish processing. The opening of the new Western Alaska seafood processing plant spurred April employment growth in Southwest's seafood processing industry.

Heavy construction statewide affects Anchorage

Statewide construction employment has been surprisingly sluggish so far this year. This sluggishness has influenced Anchorage's construction employment estimates and resulted in some unexpected trends for Anchorage's construction industry. Anchorage's construction employment is influenced by firms headquartered in Anchorage but who perform work all over the state. Heavy construction work throughout the state, particularly at Bradley Lake, on the North Slope and on the pipeline repair, is down from 1990. Since firms headquartered in Anchorage were key employers on these projects, Anchorage's construction growth appears sluggish because of their high employment totals last year.

The lower construction employment totals are in contrast to indicators of construction activity taking place in the Municipality of Anchorage. Building permits are up significantly over last year. Increasing property values are encouraging existing homeowners and contractors to add to Anchorage's available housing stock. The Multiple Listing Service in Anchorage reported a 51% increase in listings from late April of this year compared to the same time last year. Also in April the Alaska railroad awarded a contract for its new headquarters in the Ship Creek area.

While construction industry employment is down slightly at the moment, construction could get a lift from the state capital budget. The legislature appropriated a $384 million capital budget for FY92, an increase of about 7% from FY91. The spending plan still has to get final approval from the administration.

Military boosts Fairbanks' economy

The military made two announcements in April of importance to Fairbanks' economy. Fairbanks construction got a boost, although construction employment won't occur until a future date. Eielson Air Force Base received authorization to request proposals to build a 366-unit housing complex. The project faced opposition because military spokesmen said the project was contingent on the North Star Borough exempting the project from property taxes. The project

Table • 3

Alaska Hours and Earnings for Selected Industries

	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	p/ 4/91	r/ 3/91	4/90	p/ 4/91	r/ 3/91	4/90	p/ 4/91	r/ 3/91	4/90
Mining	$1,150.55	$1,169.77	$1,111.14	48.1	48.7	48.5	$23.92	$24.02	$22.91
Construction	1,045.96	988.68	1,139.67	43.6	42.0	48.6	23.99	23.54	23.45
Manufacturing	582.42	528.75	601.83	51.0	46.3	47.5	11.42	11.42	12.67
Seafood Processing	515.65	440.26	502.18	58.2	52.6	51.4	8.86	8.37	9.77
Trans., Comm. & Utilities	590.54	574.66	595.43	33.9	32.8	35.4	17.42	17.52	16.82
Trade	360.96	360.61	358.80	32.2	32.4	32.5	11.21	11.13	11.04
Wholesale	571.25	592.01	595.10	39.1	40.3	39.7	14.61	14.69	14.99
Retail	314.98	310.99	309.69	30.7	30.7	31.0	10.26	10.13	9.99
Finance-Ins. & R.E	399.99	405.03	422.57	34.1	34.5	37.1	11.73	11.74	11.39

Notes: p/ denotes preliminary estimates r/ denotes revised estimates Benchmark: March 1990

Averages are based on data for full- and part-time production workers (manufacturing) and nonsupervisory workers (nonmanufacturing) and are for gross earnings and hours paid, including overtime pay and hours.

Source: Alaska Department of Labor, Research & Analysis Section.

received a five-year exemption, but that may be challenged.

Military-related employment got a boost when the Air Force announced Eielson would retain a squadron of upgraded A-10 fighter jets. Eielson's A-10s were scheduled for replacement by a squadron of F-16s. If that plan had materialized, Eielson's personnel and payroll would remain constant. Plans now call for Eielson to add the F-16s as well as retain some of the A-10s. Retention of the A-10s will inflate Eielson's military personnel count by 300 and its payroll by $10 million annually. In addition, the Air Force estimates that the number of dependents will grow by 500. This is good news for businesses dependent on military spending.

Summary: April figures bear mixed news

Alaska's unemployment rate dropped in April and registered a sharp decrease compared to a year ago. Other indicators didn't support a dramatic improvement in Alaska's economy. Unemployment weeks claimed and wage and salary employment point to a weaker economy this April than last.

Alaska's coastal regions led the state in April employment gains. The seafood processing industry played a critical role in the employment gains in all of the coastal regions. Timber and tourist-related activities also contributed to employment gains. Overall, April employment and unemployment statistics showed that Alaska's economy is springing to life after a winter of inactivity. However, some sectors are lagging their performance of a year ago and the result is a slower rate of growth for Alaska's economy.

Table • 4

Labor Force By Region and Census Area

	Labor Force			Unemployment			Rate %			Employment		
	p/ 4/91	r/ 3/91	4/90	p/ 4/91	r/ 3/91	4/90	p/ 4/91	r/ 3/91	4/90	p/ 4/91	r/ 3/91	4/90
Alaska Statewide	257,054	252,280	252,760	18,024	21,233	20,147	7.0	8.4	8.0	239,030	231,047	232,613
Anch.-MatSu Region	134,564	133,107	129,479	8,275	9,429	8,947	6.1	7.1	6.9	126,289	123,678	120,532
Municipality of Anchorage	118,440	117,516	114,244	6,447	7,326	6,764	5.4	6.2	5.9	111,993	110,190	107,480
MatSu Borough	16,124	15,591	15,235	1,828	2,103	2,183	11.3	13.5	14.3	14,296	13,488	13,052
Gulf Coast Region	30,102	28,552	30,595	2,672	3,301	3,506	8.9	11.6	11.5	27,430	25,251	27,089
Kenai Peninsula Borough	18,792	17,920	19,026	1,985	2,448	2,428	10.6	13.7	12.8	16,807	15,472	16,598
Kodiak Island Borough	6,629	6,153	6,636	225	258	312	3.4	4.2	4.7	6,404	5,895	6,324
Valdez-Cordova	4,681	4,479	4,933	462	595	766	9.9	13.3	15.5	4,219	3,884	4,167
Interior Region	35,049	34,734	35,112	3,339	3,965	3,734	9.5	11.4	10.6	31,710	30,769	31,378
Fairbanks North Star Bor.	30,234	29,938	30,108	2,739	3,259	2,901	9.1	10.9	9.6	27,495	26,679	27,207
Southeast Fairbanks	1,989	1,999	2,086	232	294	347	11.7	14.7	16.6	1,757	1,705	1,739
Yukon-Koyukuk	2,826	2,797	2,918	368	412	486	13.0	14.7	16.7	2,458	2,385	2,432
Northern Region	8,373	8,231	8,201	634	697	788	7.6	8.5	9.6	7,739	7,534	7,413
Nome	3,131	3,047	3,050	300	291	338	9.6	9.6	11.1	2,831	2,756	2,712
North Slope Borough	3,007	2,979	2,912	80	129	108	2.7	4.3	3.7	2,927	2,850	2,804
Northwest Arctic Borough	2,235	2,205	2,239	254	277	342	11.4	12.6	15.3	1,981	1,928	1,897
Southeast Region	35,522	34,589	36,022	2,394	3,094	2,388	6.7	8.9	6.6	33,128	31,495	33,634
Haines Borough	880	835	856	92	86	56	10.5	10.3	6.5	788	749	800
Juneau Borough	15,670	15,161	15,951	688	918	741	4.4	6.1	4.6	14,982	14,243	15,210
Ketchikan Gateway Bor.	6,704	6,511	6,808	565	675	575	8.4	10.4	8.4	6,139	5,836	6,233
Pr. of Wales-Outer Ketch.	2,763	2,667	2,814	320	344	334	11.6	12.9	11.9	2,443	2,323	2,480
Sitka Borough	4,075	3,978	4,110	173	268	148	4.2	6.7	3.6	3,902	3,710	3,962
Skagway-Yakutat-Angoon	1,751	1,824	1,823	226	374	274	12.9	20.5	15.0	1,525	1,450	1,549
Wrangell-Petersburg	3,679	3,613	3,660	330	429	260	9.0	11.9	7.1	3,349	3,184	3,400
Southwest Region	13,444	13,067	13,351	710	747	784	5.3	5.7	5.9	12,734	12,320	12,567
Aleutians East Borough	937	907	930	5	5	10	0.5	0.6	1.1	932	902	920
Aleutians West	2,635	2,550	2,616	23	23	39	0.9	0.9	1.5	2,612	2,527	2,577
Bethel	5,179	5,030	5,103	352	360	340	6.8	7.2	6.7	4,827	4,670	4,763
Bristol Bay Borough	517	518	516	25	42	30	4.8	8.1	5.8	492	476	486
Dillingham	2,427	2,367	2,459	121	136	183	5.0	5.7	7.4	2,306	2,231	2,276
Wade Hampton	1,749	1,695	1,727	184	181	182	10.5	10.7	10.5	1,565	1,514	1,545

Notes: p/ denotes preliminary estimates
r/ denotes revised estimates
Benchmark: March 1990

- Federal guidelines require the use of unrounded labor force data, adjusted to be consistent with the Current Population Survey in formulas used to allocate federal funds.
- Comparisons between different time periods are not as meaningful as other time series published by the Alaska Department of Labor.
- The official definition of unemployment currently in place excludes anyone who has made no attempt to find work in the four-week period up to and including the week that includes the 12th of each month. Most Alaska economists believe that Alaska's rural localities have proportionately more of these discouraged workers.
- The employment numbers that appear above are definitionally different from those that appear in the Nonagricultural Wage & Salary Employment tables.

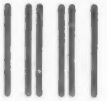
Source: Alaska Department of Labor, Research & Analysis Section.

Alaska Economic Regions

ALASKA ECONOMIC TRENDS
ALASKA DEPARTMENT OF LABOR
EMPLOYMENT SECURITY DIVISION
PO BOX 3-7000
JUNEAU, ALASKA 99802

OFFICIAL BUSINESS
PENALTY FOR PRIVATE USE $300

EMPLOYMENT SECURITY MAIL
POSTAGE AND FEES PAID
LAB 449



EMPLOYMENT SECURITY MAIL
POSTAGE AND FEES PAID
LAB 449